

January 25, 1983

Edward H. Honig, Esq.
Honig & Smerling
150 Broadway
New York, New York 10038

Re: Trim Line Sales, Ltd.

Dear Mr. Honig:

I wish to acknowledge receipt of your letter of January 7, 1983.

Subsequent to the threatening letter sent by the Townley Updike firm, our New York attorneys, Mudge, Rose, Guthrie & Alexander, sent all licensees a letter detailing the nature of Universal's claim against Nintendo and giving an explanation of why the Townley & Updike letter was sent to Nintendo's licensees. By the time this letter reaches you, your client should have received the Mudge, Rose letter. If not, please call Shelley O'Neill at Mudge, Rose and she will send you a copy.

Nintendo's position is that Trim Line Sales, Ltd. should continue to perform under the Exclusive License Agreement. We have given your client a full indemnification against any claims by Universal and we feel that this is more than adequate protection for your client to proceed with performance under the license agreement.

If you have any other questions regarding this letter, I would appreciate your calling Ms. Shelley O'Neill at Mudge, Rose.

Sincerely,

NINTENDO OF AMERICA INC.

Howard C. Lincoln
Senior Vice President
and General Counsel

HCL:llw
cc: Shelley O'Neill, Esq.-w/enc.

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